

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**August 8, 2013**

**5:30 P.M.**

**Courthouse**

### MINUTES:

<u>Members Only:</u>	<u>Others Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>
Comm. Charlie Baum	Ernest Burgess	Tharrel Kast	Jeff Sandvig
Comm. Will Jordan	Teb Batey	Sheriff Robert Arnold	Elaine Short
Comm. Robert Peay, Jr.	John Bratcher	Joe Russell	
Comm. Steve Sandlin	Lisa Nolen	Randy Garrett	
Comm. Doug Shafer	Melissa Stinson	Larry Farley	
Comm. Joyce Ealy, Chr.	Gerald Melton	Jeff Davidson	

Chairman Joyce Ealy presided and called the meeting to order at 5:30 P.M. with Commissioner Jernigan being absent.

### APPROVE MINUTES:

The minutes of the June 26, 2013 Budget Committee meeting were presented for approval.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the minutes as presented.

The motion passed unanimously by acclamation with Commissioners Jernigan and Peay being absent at that time.

### INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that no investment transactions had taken place during the month. The LGIP interest rate for the month was .10%.

Comm. Sandlin moved, seconded by Comm. Shafer to approve the monthly Investment Report as presented.

The motion passed unanimously by acclamation.

### FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the Fund Condition Reports for the months ending June 30, 2013 and July 31, 2013.

For the month of June the Development Tax collections were \$104,250, with the year-to-date collections being \$3,210,000. This compared to June, 2012 when the monthly collections were \$112,500 and the year-to-date collections were \$2,051,250.

At the end of June, the fund cash balances totaled \$164,897,471 with operating funds being \$158,696,669 and borrowed funds being \$6,200,802. This compared to June, 2012 when the total cash balances were \$186,753,065 with operating funds being \$152,169,888 and borrowed funds being \$34,583,177. The Finance Director noted that at the end of June, the Public Safety Communication Project reflected a deficit of \$28,311, which was the result of a contract with Motorola. However, a reimbursement from the grant was received in July.

For the year ending June 30, 2013, the General Fund had \$3 million in appropriations that were not spent. The Solid Waste Fund had \$878,873 in appropriations that were not spent. The Ambulance Fund had \$349,000 in appropriations that were not spent. The Highway Fund had \$1.8 million in appropriations that were not spent. The General Purpose School Fund had \$6.8 million in appropriations that were not spent.

The Finance Director provided an analysis of the revenue collections for the year ending June 30, 2013.

For the month of July, the Development Tax collections were \$407,250. This compared to July, 2012 when the Development Tax collections were \$118,500.

The Finance Director advised that at the end of July the fund cash balances totaled \$150,210,208 with operating funds being \$144,310,506 and borrowed funds being \$5,899,702. This compared to July, 2012 when the total cash balances were \$175,132,182 with operating funds being \$141,438,914 and borrowed funds being \$33,693,268. The Finance Director noted that at the end of July, the Public Safety Communications Project reflected a deficit of \$208,311 that resulted from paying 30% of a contract when it was executed. Mrs. Nolen advised that a reimbursement would be coming from E-911.

The Finance Director reviewed the Statement of Operations for the month of July. After closing the books, the estimated Unassigned Fund Balance for the General Fund as June 30, 2014 was \$16,155,586, which was 19% of the estimated appropriations. The Unassigned Fund Balance for the General Purpose School Fund for June 30, 2014 was projected at \$15,097,371, which represented a 5% ending fund balance.

The Finance Director advised that Mr. Sandvig has advised that a \$1.2 million amendment will be coming through the committee process next month drawing down the fund balance for a new textbook adoption.

The Finance Director also informed the committee that it might be necessary to adjust some payroll line items as a result of re-evaluations by the Human Resource Department. She advised that she would review the line items at the end of December or March and request approval of budget amendments if still necessary at that time.

The Finance Director advised that at the end of June, the Employee Insurance Fund closed with a loss of \$969,000 for the year. The Workers' Compensation (OJI Fund) closed with a loss of \$227,000, and some of that was intentional. The Self-Insurance Fund (property and casualty) closed with an increase of \$367,000.

The revenue reports were provided for the use and information of the committee, but the Finance Director advised that there was very little activity to report for the month of July.

Following review, Comm. Jordan moved, seconded by Comm. Sandlin to approve the Fund Condition Reports for the months ending June 30, 2013 and July 31, 2013.

The motion passed unanimously by acclamation.

#### RISK MANAGEMENT FINANCIAL REPORT:

Ms. Melissa Stinson, Risk Management Director, presented the monthly Insurance Financial Reports for the months ending June 30, 2013 and July 31, 2013.

For the medical, dental and vision plan for the month of June, the monthly cost per employee was \$641.79 compared \$726.96 for the same time in the prior year. The year-to-date average cost for June 30, 2013 was \$803.65 compared to \$791.32 for the prior year. When combined with the onsite medical experience, the cost per month was \$680.48 compared to \$762.15 for the prior year. The average cost per employee per month for the year was \$839.07 compared to \$824.93 for the prior year.

For the month of July for the medical, dental and vision plan, the cost per employee was \$885.03 compared to \$918.84 for the prior year. When combined with the onsite medical experience, the cost per employee was \$927.26 compared to \$955.92 for the prior year.

Mrs. Stinson advised that through a financial review with Take Care, it was determined that the Rock Springs Middle and the Health Department Med-Point locations had low utilization. Even though there is low utilization, the clinic still has to be fully staffed. It was recommended to the Insurance Committee that those two locations be closed effective August 1. Ms. Stinson advised that anyone

who typically utilized those two locations had another clinic location available within a three mile radius. She advised that the Insurance Committee voted to suspend operations of the Med-Point Clinics located at Rock Springs Middle School and the Health Department and those two clinics would be combined with the clinics located at Blackman, Walter Hill and Stewarts Creek. There are also 16 retail locations available in Middle Tennessee.

Ms. Stinson advised that from a calendar year, the employee health insurance plan was currently trending positively comparing this calendar year to last calendar year.

For the Work Injury Performance for the month of June, the year-to-date claims totaled \$767,386 compared to \$535,792 for the prior year. For the month of July, the Work Injury claims totaled \$44,509 compared to \$74,775 for the prior year. Ms. Stinson advised that currently there were 17 open workers' compensation claims

Following review, Comm. Shafer moved, seconded by Comm. Sandlin to approve the Risk Management Financial Reports for the months of June and July, 2013.

The motion passed unanimously by acclamation.

RECOMMENDATION TO ADOPT BIO-METRIC SCREENING PROGRAM:

Ms. Stinson advised that her office conducted a benefit survey of 95 counties in the State of Tennessee and requested certain benefit information with one of them regarding wellness initiatives. Of the 95 counties that responded, 32 counties responded to the wellness aspect of the survey. Twenty-Seven of those counties tied their premiums directly to wellness and 20 of those were on the state plan. Ms. Stinson advised that was important, because a lot times Rutherford County's plan was compared to the state plan.

The recommendation made to the Insurance Committee was to add a wellness fee beginning in 2014. The wellness fee is basically a "Know Your Numbers" campaign. It requires employees on the health insurance plan to provide blood for a lab analysis to be conducted that would feed data to CIGNA, and based on the results, the information would ultimately feed into a disease management program. This would be a step toward getting a healthier population, which would provide another opportunity to control premiums and claims experience.

The State of Tennessee started their "Know Your Numbers" campaign in 2011. Since 2011, the state has continued to ramp up their wellness initiative.

Ms. Stinson provided a copy of requirements that Rutherford County employees must fulfill in order to avoid a wellness fee of \$25.00 per month, which will be charged through payroll deduction for those who do not participate. The requirement is only for employees participating in the medical plan and does not pertain to spouses or dependents.

It was recommended to the Insurance Committee that beginning in 2014, Rutherford County start a "Know Your Numbers" campaign. Anyone who has had a lipid panel in 2013 through February 17, 2014 will go into a data base that will be provided to the Risk Management Department. The Risk Management Department will acknowledge that the "Know Your Numbers" campaign has been completed, and the employee will avoid the \$25.00 per month wellness fee.

For the individuals that do not comply, a \$25.00 per month wellness fee will be deducted from their payroll check beginning March 1, 2014. Ms. Stinson advised that statistics show that it usually takes a \$300 impact to motivate employees.

The lipid panel is a very basic test and it would be a very small step in getting into the wellness world. Ms. Stinson advised that this requirement was also consistent with what other employers were doing. She stated that there would be other steps that would be reviewed in the future. The cost for the test will be billed through the health insurance plan like any other benefit.

Ms. Stinson advised that because the health insurance premiums have already been established for 2014, the premiums could not be affected, and therefore, a fee was established. She stated there was no way to effectively collect a fee from retirees, and at this point they were being eliminated from the “Know Your Numbers” campaign. Including spouses was discussed at the Insurance Committee, but it was the decision of the committee to simply enter into the wellness environment and to implement the wellness fee as minimally as possible to drive some type of result and to start changing the mentality of the population.

Following discussion, Comm. Jordan moved, seconded by Comm. Shafer to implement the Rutherford County 2014 wellness initiative “Know Your Numbers” campaign requiring a biometric screening for employees participating in the medical plan in order to avoid a \$25.00 wellness fee per month, which will be payroll deducted for those who do not participate.

The motion passed unanimously by roll call vote.

**RESOLUTION REGARDING OVER/UNDER PROPERTY TAX PAYMENTS FOR THE CLERK & MASTER:**

Mr. John Bratcher, Clerk & Master, advised the committee that many times they receive payments for delinquent property taxes that were slightly more or less than the amount owed. In an effort to save money from mailings, employees’ time, and other office supplies, he requested approval of a Resolution that would allow his office to retain excess funds received of not more than five dollars over the actual amount owed for the payment of property taxes, interest and penalty and other costs in the Clerk & Master’s excess fees account, and nominal under payments of two dollars or less would be funded from the Clerk & Master’s excess fees account.

The Finance Director advised that this would be consistent with what the Trustee was currently doing.

Comm. Shafer moved, seconded by Comm. Sandlin to approve a Resolution and forward the same to the County Commission authorizing the Chancery Court Clerk & Master to retain excess funds received of not more than five dollars over the actual amount owed for the payment of property taxes, interest and penalty and other costs in the Clerk & Master excess fees account, and nominal under payments of two dollars or less shall be funded from the Clerk & Master’s excess fees account.

The motion passed unanimously by acclamation.

**GENERAL FUND BUDGET AMENDMENTS**

**PUBLIC DEFENDER:**

Mr. Gerald Melton, Public Defender, advised that funds were appropriated last year to pay the salary and benefits for the Assistant Public Defender. Those funds were sent to the state to be administered. All of the funds were not spent, and the state returned \$7,064.34 to Rutherford County. Mr. Melton requested approval of the following budget amendment to re-appropriate \$1,500 of the refund from the state for travel and other supplies and materials for the Assistant Public Defender in Juvenile Court:

From: 101-39000 – Unassigned Fund Balance -	\$ 1,500
To: 101-53610-355 – Travel -	\$ 1,000
101-53610-499 – Other Supplies & Materials -	500

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested by the Public Defender amending \$1,500 from Account 101-39000, Unassigned Fund Balance, with \$1,000 to Account 101-53610-355, Travel, and \$500 to Account 101-53610-499, Other Supplies and Materials.

The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

Mr. Tharrel Kast, Emergency Management Director, requested approval of the following budget amendment to recognize \$12,211 in revenue to be carried forward from the 2012 Homeland Security Grant, and to appropriate the revenue for Other Equipment.

Mrs. Nolen advised that the amendment would reduce the amount of revenue that had been included in the budget:

Decrease Revenue:	101-47235 – Homeland Security Grants -	\$119,090
Decrease Unassigned Fund Balance:	101-39000 -	\$131,301
Increase Expend.:	101-54430-790 – Other Equipment -	\$ 12,211

Comm. Peay asked Mr. Kast what equipment was going to be purchased.

Mr. Kast advised that his staff had prepared some recommendations for him to look at, and he would get the information.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment as requested reducing Revenue Account 101-47235, Homeland Security, by \$119,090, decreasing Account 101-39000, Unassigned Fund Balance, by \$131,301, and increasing Expenditure Account 101-54430-790, Other Equipment, by \$12,211.

The motion passed unanimously by roll call vote.

COUNTY MAYOR:

Mayor Burgess advised that the copy machine in his office had been there for many years, and had to be replaced. He requested approval of the following budget amendment to provide funding for the new copier and to report the expenditure in the correct line item:

From:	101-51300-599 – Other Charges -	\$11,485
To:	101-51300-719 – Office Equipment -	\$11,485

Comm. Jordan moved, seconded by Comm. Baum to approve the budget amendment as requested amending \$11,485 from Account 101-51300-599, Other Charges, to Account 101-51300-719, Office Equipment.

The motion passed unanimously by roll call vote.

COUNTY BUILDINGS:

The Finance Director requested approval of the following budget amendment for the County Buildings Department to provide funding for four employees to receive training on repairing and maintaining HVAC systems and equipment:

From:	101-51800-335 – Maintenance & Repair Buildings -	\$ 1,000
To:	101-51800-355 – Travel -	\$ 1,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested for the County Buildings Department transferring \$1,000 from Account 101-51800-335, Maintenance and Repair Buildings, to Account 101-51800-355, Travel.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Sheriff Robert Arnold and Chief Deputy Joe Russell requested approval of the following budget amendment to re-appropriate grant monies received in 2010 and 2011 but not spent for the Law Enforcement Block Grant with the City of Murfreesboro. The funds were restricted and have been set aside:

From: 101-34525 – Restricted for Public Safety -	\$ 69,033
To: 101-54110-709 – Data Processing Equipment -	\$ 69,033

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested amending \$69,033 from Account 101-34525, Restricted for Public Safety, to Account 101-54110-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

DRUG CONTROL FUND BUDGET AMENDMENTS:

Chief Deputy Joe Russell next requested approval of the following Drug Control Fund budget amendments to provide funding for vehicles and building improvements:

From: 122-34525 – Restricted for Public Safety -	\$ 40,518
To: 122-54150-718 – Motor Vehicles -	\$ 40,518

From: 122-34525 – Restricted for Public Safety -	\$200,000
To: 122-54150-707 – Building Improvements -	\$200,000

Mayor Burgess advised that the building improvements amendment was agreed on during the budget process.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Drug Control Fund budget amendments as requested amending \$40,518 from Account 122-34525, Restricted for Public Safety, to Account 122-54150-718, Motor Vehicles; and amending \$200,000 from Account 122-34525, Restricted for Public Safety, to Account 122-54150-707, Building Improvements.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE (DEA) FUND BUDGET AMENDMENT:

Chief Deputy Joe Russell next requested approval of a Special Purpose (DEA) Fund budget amendment to recognize asset forfeitures of \$4,050 and to appropriate the funds for Other Equipment:

Increase Revenue: 121-47700 – Asset Forfeitures -	\$ 4,050
Increase Expend.: 121-54110-790 – Other Equipment -	\$ 4,050

Comm. Sandlin moved, seconded by Comm. Shafer to approve the Special Purpose Fund budget amendment as requested increasing Revenue Account 121-47700, Asset Forfeitures, by \$4,050 and increasing Expenditure Account 121-54110-790, Other Equipment, by \$4,050.

The motion passed unanimously by roll call vote.

REQUEST TO CLOSE SHERIFF'S DEPARTMENT FIRING RANGE PROJECT:

The Finance Director advised that the Sheriff's Department Firing Range Project was complete and \$149 remained, and she requested that the funds be transferred back to the General Fund Restricted for Capital Projects as follows:

Increase Revenue:	101-49800 – Transfers In -	\$ 149
Increase Restricted for Capital Projects:	101-34585 -	\$ 149

Comm. Peay moved, seconded by Comm. Jordan to approve the request to close the Sheriff's Department Firing Range Project and to approve the budget amendment as requested increasing Revenue Account 101-49800, Transfers In, by \$149 and increase Account 101-34585, Restricted for Capital Projects, by \$149.

The motion passed unanimously by roll call vote.

Sheriff Arnold distributed an analysis of the cost of intake kits for the Adult Detention Center advising that they had purchased the items for the kits in bulk and were now putting the kits together in-house at a cost savings. He also reported that the garden at the jail had produced 936 pounds of produce for the jail. He also advised that a commercial had been done for their Facebook page and for Channel 19 regarding video visitation.

#### FIRE AND RESCUE:

Chief Larry Farley requested approval of the following budget amendment to re-appropriate unspent grant funds for the Sprinkler System Project in order to complete the project:

From:	101-39000 – Unassigned Fund Balance -	\$ 493
To:	101-54320-499 – Other Supplies & Materials -	\$ 493

Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment as requested to re-appropriate unspent grant funds for the Sprinkler System Project amending \$493 from Account 101-39000, Unassigned Fund Balance, to Account 101-54320-499, Other Supplies and Materials.

The motion passed unanimously by roll call vote.

#### REQUEST TO APPLY FOR FY 2013 STAFFING FOR ADEQUATE FIRE AND EMEGENCY RESPONSE (SAFER) GRANT:

Chief Farley advised that he was requesting permission to submit a grant application for the FY 2013 SAFER Grant to hire 12 firefighters. If received, the grant will be a fully funded grant for two years. After two years, it would be up to the county commission whether to continue funding the positions.

Comm. Peay asked if the positions would completely fund one station or if there would be drivers in specific stations.

Chief Farley advised he had discussed the grant with CTAS, and they recommended requesting funding to fully staff one station for three shifts. He stated that would guarantee that one full crew would be available to respond to a fire at any time of the day.

Mayor Burgess advised that the county applied for the SAFER grant last year for four firefighters, and the grant was not awarded. CTAS recommended applying for 12 firefighters. The grant would fund the salaries and benefits for two years at an approximate cost of \$802,000 per year. He stated it would probably be a year before the county would know if the grant was going to be awarded.

Last year Columbia applied for 12 firefighters, and received the grant.

Chief Farley stated that the call volume was increasing every year, and the volunteer firefighters were amazing.

Comm. Jordan stated that he lived in a rural area, and he thought the people in his area deserved fire protection. He stated that he thought that the county had committed to developing a fire department, and this would be another step in that direction.

Chief Farley stated that if only four or five firefighters were applied for, the county would not receive the grant. He stated that a good grant application was submitted last year, but not enough firefighters were applied for.

Comm. Sandlin stated that he was in favor of applying for the grant.

Following discussion, Comm. Peay moved, seconded by Comm. Sandlin to authorize the County Mayor and other appropriate officials of Rutherford County to submit an application for a two-year FY 2013 SAFER Grant for hiring 12 firefighters.

The motion passed unanimously by acclamation.

AMBULANCE SERVICE FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following budget amendment to provide funding to transfer to the Self-Insurance Fund for the payment of liability claims for the Ambulance Service Fund:

From: 118-34730 – Assigned for Public Health & Welfare -	\$25,000
To: 118-55130-505 – Judgments -	\$25,000

Following review, Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget amendment for the Ambulance Service Fund as requested amending \$25,000 from Account 118-34730, Assigned for Public Health & Welfare, to Account 118-55130-505, Judgments.

The motion passed unanimously by roll call vote.

RELAX AND RIDE SERVICE CONTRACT WITH REGIONAL TRANSPORTATION AUTHORITY:

Chairman Ealy advised of a contract with the Regional Transportation Authority for the Relax and Ride bus service for the period of July 1, 2013 through June 30, 2014 with Rutherford County's share being \$32,966 for the support of the #84X Murfreesboro Express, #86X Smyrna/La Vergne Express, and #96L Nashville/Murfreesboro Relax & Ride Bus Routes.

Mayor Burgess advised that the funds were already included in the 2013-14 budget.

Comm. Sandlin moved, seconded by Comm. Jordan to authorize the County Mayor to execute the Contract with the Regional Transportation Authority in the amount of \$32,966 for the FY 2013-2014 #84X Murfreesboro Express, #86X Smyrna/La Vergne Express, and #96L Nashville/Murfreesboro Relax and Ride Service Contract.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:00 P.M.